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1275 WEST WASHINGTON

Phoenix, Arizona 85007

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May 20, 1985

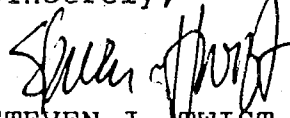
Mr. Arthur T. Markham  
Deputy Yavapai County Attorney  
Yavapai County Courthouse  
Prescott, Arizona 86301

RE: I85-070 (R85-042)

Dear Mr. Markham:

Pursuant to A.R.S. § 15-253.B, we decline to review your opinion to Sarah Hartley, Yarnell School District, regarding the proposed contract between the Yarnell School District governing board and the Northern Arizona Council of Governments.

Sincerely,

  
STEVEN J. TWIST  
Chief Assistant  
Attorney General

SJT:TLM/pd



COUNTY ATTORNEY  
CHARLES R. HASTINGS

OFFICE OF

## County Attorney

YAVAPAI COUNTY COURTHOUSE  
PRESCOTT, ARIZONA 86301  
(602) 445-7450 EXT. 108

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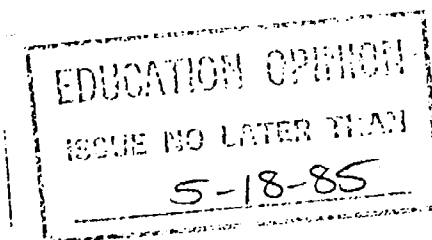
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March 15, 1985

Rec'd 3-19-85

R85- 042

Sarah Hartley  
Yarnell School District  
P. O. Box 575  
Yarnell, AZ 85362



Dear Sarah:

I have reviewed the proposed contract between your school district and NACOG. The contract looks legal to me, and it certainly seems like a benefit to the Yarnell School District to get funding to start a hot lunch program. A.G. Opinion No. R75-244 stated that a Council of Government such as NACOG had to comply with the normal A.R.S. §41-1051 contracting requirements imposed on school districts (such as bidding, advertising, notice of award, etc.), since it is not qualified for an intergovernment agency contract exception to the general rule. However, the present contract involves the school district committing itself to spending less than \$5,000 of its own funds, another exception to the general rule requiring the above mentioned formalities.

NACOG itself is granting up to \$5,400 to the Yarnell School District subject to certain conditions. The school district itself is committed to spending up to 25% of the amount being granted, i.e., \$1,350.00. Thus, I conclude that the school district does have the power to enter into the proposed contract.

I would suggest that the Yarnell School District condition its own contract with the food service provider to a short termination notice requirement only, so that there will be minimal liability in the unfortunate event that NACOG should stop the funding or the school district should have to cancel the NACOG Agreement.

Do note, however, that the contract requires you to fund 25% of the program yourself, as well as to keep extensive records and make periodic reports. NACOG is also keeping

Hartley Letter Continued

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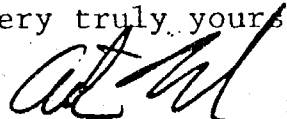
substantial control of the program by keeping ultimate control of disputes subject to a lawsuit pursuant to paragraph 13, as well as other instances of language in the proposed contract that keeps NACOG in control. In general, the language of the contract is written to the benefit of NACOG. I do suggest that if you accept the proposal you pay close attention to the requirements being placed on you by the contract. However, the Yarnell School District might very rightfully choose not to "look a gift horse in the mouth".

As the contract requires some expenditures by the Yarnell School District, do make sure that the money to be spent is in the school budget for the time period in question. Also, make sure that the NACOG proposal is accepted by the Yarnell School Board at a regular noticed school board meeting.

A copy of this letter as well as a copy of the proposed contract is being sent to the Arizona Attorney General for review purposes.

If I can help you further, please let me know.

Very truly yours,



Arthur T. Markham  
Deputy County Attorney

ATM:ces

ccs: Dr. Eugene Hunt  
Mel Hannah  
Attorney General